DOCUMENT RESUME

ED 351 612 CE 062 537

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TITLE	Consumer Competency: A National Status Report. ERIC Digest No. 1.
INSTITUTION	Adjunct ERIC Clearinghouse on Consumer Education, Ypsilanti, MI.
SPONS AGENCY	Office of Educational Research and Improvement (ED), Washington, DC.
REPORT NO	EDO-CN-92-01
PUB DATE	92
NOTE	3p.
PUB TYPE	Information Analyses - ERIC Clearinghouse Products (071)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Consumer Economics; *Consumer Education; Consumer Protection; Consumer Science; *Educational Objectives; Elementary Secondary Education; Faculty Development; *Instructional Improvement; Money Management; Program Improvement; Teacher Education; *Teacher Improvement
IDENTIFIERS	ERIC Digests

ABSTRACT

Concepts in consumer education can be arranged into a taxonomy of three primary categories: decision making, resource management, and citizen participation. Consumer programs have these goals: (1) producing competent buyers and users of goods and services; (2) producing competent financial managers; (3) producing an understanding of the economy; (4) generating an acceptance of consumer responsibilities and assertion of consumer rights; and (5) helping people examine their values to develop a philosophy enabling them to achieve satisfaction within resources they possess. Surveys of consumer knowledge and skills of students and adults in the United States reveal large gaps. Lack of consumer competency is attributed to several factors, including the following: consumer education is not uniformly available; teachers are not prepared to teach consumer education; and limited opportunity for consumer education exists beyond the classroom. Recommendations for improving the level of consumer competency range from marketing to miscellaneous improvements in the nation's education programs. Suggestions for the nation's schools include universal requirements for instruction in consumer education, requirements that focus specifically on consumer skills and awareness, adequate preparation of consumer education instructors, and continuing support for teachers. (Contains 11 references.) (YLB)

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ERIC® Digest No. 1

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Consumer Competency: A National Status Report

by Patricia A. Bonner, Ph.D.

There is general agreement that our nation must give more attention to consumer education. Consumer literacy benefits individuals, society and business (Knapp 1990). This **Digest** presents currently accepted goals for consumer competency and summarizes research documenting the need for advancing consumer education in the nation's schools and communities. The issues of teacher competency and recommendations for improving consumer education in the nation's schools are also addressed.

Concepts and Goals

Consumer education is a process of gaining knowledge and skills needed in managing personal resources and influencing the social, political, economic, technological, and environmental decisions that affect consumer well being. **The Classification of Concepts in Consumer Education** (Bannister and Monsma 1982) which provides the conceptual framework for the field arranges consumer concepts into a taxonomy of three primary categories--Decision Making, Resource Management and Citizen Participation.

Green's (1985) "gleaning of the literature" has yielded five distinctive goals and objectives for consumer programs:

1. Produce competent buyers and users of goods and services;
2. Produce competent financial managers;
3. Produce an understanding of the economy;
4. Generate an acceptance of consumer responsibilities along with an assertion of consumer rights; and
5. Help people examine their values in order to develop a philosophy enabling them to achieve satisfaction within the resources they possess.

Consumer Competency in the U.S.

Measuring consumer competency helps determine success in educational programs and where improvement is needed. Surveys of consumer knowledge and skills in the U.S. reveal large gaps. In 1991, a nationwide test of consumer knowledge of high school seniors found that these students are "virtually unprepared for the many critical purchasing decisions they will need to make after they graduate from school" (p.3, Brobeck 1991). The teenagers tested were able to answer only 42 percent of the questions correctly when they could have answered 25 percent correctly just by guessing.

The nation's adults do not fare much better. On average, Americans who took a similar consumer knowledge test gave correct answers to only 54 percent of the 249 questions about banking, insurance, product safety and buying a house, a car and food. It was found most Americans do not know the annual percentage rate (APR) is the best indicator of a loan's cost, or that the real estate agent legally represents the seller, not the buyer (p.3, Brobeck 1990).

In the 1986 National Assessment of Educational Progress which evaluated a nationally representative sample of young adults ranging from high school dropouts to Ph.Ds, it was revealed that only a small percentage could do moderately complex tasks needed to function in the marketplace. For example, only 30 percent were able to compute the cost of a meal from a menu. Even fewer--13 percent--could successfully compute the exact amount of a tip. Less than 5 percent were able to estimate the cost of a product using grocery unit-price labels (Barton & Kirsch 1990).

Consumer Education Programs

The lack of consumer competency is attributed to several factors. Consumer education is not uniformly available to all who could benefit from it or who might contribute to its development. A 1990 survey by the National Coalition for Consumer Education found 31 states with a consumer education policy. The policies differ greatly. In six states, the policy covers both elementary and secondary instruction of all students whether enrolled in general or vocational programs. In other states the policy applies only to vocational students. Free enterprise economics is the emphasis for some programs. There are also variations as to whether a course is mandatory or optional, whether the concepts are presented in a separate course or integrated into other courses (Scott 1990).

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Another element is the preparation of consumer educators. The field of consumer education has roots in several areas of learning (including business, home economics, social studies, and math). Instructors from one or several of the disciplines may provide consumer concepts. Early studies of school teachers and potential teachers found that regardless of home discipline, the teacher's level of competency is lacking. In a national study of prospective teachers who were seniors in teacher colleges, Garman (1979) found consumer competency scores did not indicate a high level of comprehension. A study in Oregon of actual teachers had similar conclusions (Lofgren and Suzuki 1979).

The limited oportunity for consumer education beyond the classroom is also a contributing factor. A conference report by consumer affairs professionals from business, education, consumer organizations, community groups, and government points to the absence of other than sporadic consumer education opportunities for adults. Opportunities in non traditional settings at the "teachable moment" when a person is confronted wtih a complex market decision are especially scarce (Avon 1984).

Recommendations for Improvement

The intricacies of the marketplace and the rapid pace at which society progresses makes the role of consumer a larger challenge than it has ever been before. Improving consumer competency in the United States will require awareness and commitment by policymakers and educators.

Recommendations for improving the level of consumer competency in the United States range from marketing to miscellaneous improvements in the nation's education programs. Consumer specialists have identified promotion of research data documenting the need for consumer education as a priority (Avon 1984).

For the nation's schools, Brobeck and Cohart (1988) suggest:

- universal requirements for instruction in consumer education
- requirements that focus specifically on consumer skills and awareness as opposed to economic education and related subjects
- adequate preparation of consumer education instructors in college or graduate school
- continuing support for consumer education teachers

Specific suggestions for supporting teachers in the nation's schools include further instruction, updated textbooks, bias-free supplementary materials, and a newsletter or magazine. All of these would be useful to community consumer educators (i.e., youth leaders, cooperative extension agents, social workers, literacy volunteers, and employee relations personnel) as well.

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